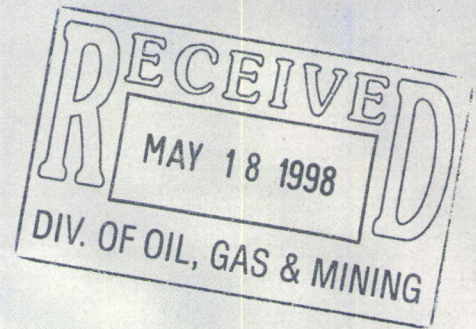


MCW ENTERPRISES LLC
CRESENT CREEK PROJECT
HENRY MOUNTAIN GOLD TREND
HANKSVILLE, UTAH

MAY 13, 1998

TO: D. WAYNE HEDBURG
UTAH D.O.G.M.
PERMIT SUPERVISOR

FROM: KIM E. WILSON
CRESENT CREEK PROJECT
MINE SUPERINTENDENT



Mr. Hedburg,

Thank you for your recent acceptance of our notice of intention to commence small mining operations, S/017/043. We are still moving slowly on the project due to lingering late winter snows and moisture from spring rain showers. Our water reserves are at peak containment and our crews have done a great job with the existing water system to date.

To help clarify for you some of your questions concerning our Cresent Creek Project, we have indeed joint ventured with Kiabab Ind. Inc. and they have provided a total \$250,000.00 investment towards the construction of our MayDay millsite for full crushing capability of the Bromide Mine ores.

At present we have not and cannot enter the upper project area until heavy snow removal is complete. We estimate that it will be an additional 30 to 45 days to a possible June 25th 1998 date. We would like to request at this time, permit transfer forms from your office, concerning the hard rock properties.

MCW will be the prominent operator/ owner in the Henry Mountain Gold Trend, and we believe by consolidating most claim groups that we will be reducing area permitting and paperwork loads. In our office and most State and Federal Agencies.

Concerning Gold Trek and the permitting associated with the 2800 Acre Placer, we have transferred all mine permits to MCW with the B.L.M. and Francis Rakow. We can not transfer ownership at the State or the State B.L.M. office until final contract payment is completed with GoldTrek.

I have included our last correspondence change of Notice of Operations to the B.L.M. with this transmittal

Concerning our State Trust Land Holdings at the Cresent Creek Project, MCW has contracts in place with Michael D. Terry on section 32 T31^(middle state) R10E and section 36-T31-R11E. ^(lower state)

Mr. Terry is an MCW owner and these sections are currently under

application to commence small mining in the Trust Lands Office in Richfield, Ut. To date we have completed the engineering portion and $\frac{1}{2}$ of the archaeological study. Snow has delayed that process as well as any activity on the Arnold Brannnon section 36 T-31-S R-10-E.

At present we have not transferred permitting to MCW for this Trust Lands Mineral Rights and would also ask for permit transfer forms for this Upper State Section. Also permitting copies for this section are included.

As far as the Hanksville properties, only office facilities are being utilized at this time. We have no plans for any truck stops or other mining activities internally within the city.

I am working on permitting paperwork for the old energy fuels uranium millsite at mile marker 10 on Hyway 95-S. We will provide full flow sheet data and operations plans for this property prior to any start of construction or transporting of ore.

We have also provided detailed maps and property boundary information for your office. I hope this information will help clarify matters for us on this project. We are working diligently to complete fully all requirements in permitting and regulation for this project as a whole unit. We will not start or construct projects in the area without all agency full permitting approvals.

We hope we can continue to set an example in our area in cooperation with all agencies involved with mining. Please feel free to inspect our operations at any time you can get away.

We appreciate all of your hard work and efforts with our project. My office phone# is (435)542-2101. The fax# is (435)542-2102. Please give me a call if I can be of any service to you or your staff.

SINCERELY,
KIM E. WILSON
MINE SUPERINTENDENT

